

PROGRESS REPORT AS AT 28TH DECEMBER 2020

1.0 Planned Project Activities

Project promoters planned to establish and operate a fleet of trucks with a view to purchase of 40 units of heavy duty trucks, 40 units of heavy duty trailers, 10 units of low bed trailers, 20 units of heavy duty tippers, and 20 units of fuel tankers with carrying capacity of 30 to 40 tons each. Other vehicles under the project were:

- i. 3 Units 4WD pickups/hardtops for escort and rescue operations
- ii. 6 Units 4WD pickups for road patrol and general supervisory operations
- iii. 1 Unit Towing vehicle for brake down (motorized crane)

All these trucks were to be purchased from Tata Motors Limited, the largest manufacturer in Indian automotive industry.

The company also had plan to establish a workshop with modern tools and equipment to service the fleet; as well as to construct storage facilities and procure and install all the necessary cargo handling facilities.

The shareholders and also directors of the company are:

- i. Leonard Rubuye
- ii. Mary B. Masong

All directors are holding 100% shares into the authorized and issued capital of the company in proportions of 75% and 25% respectively.

- a. The project holds a TIC Certificate of Incentives No. 001047 dated 30th November 2017
- b. Project promoters planned to procure essential heavy duty trucks, heavy duty trailers, low bed trailers, heavy duty tippers, and fuel tankers in relation to the project.
- c. Project promoters planned to establish a workshop with modern tools and equipment to service the fleet as well as construct storage facilities and procure and install all the necessary cargo handling facilities.

2. Achievement Made on The Project Implementation to-date

- i. We obtained TIC Certificate of Incentives No. 001047 on 30th November 2017 covering a period of three years.

- ii. We obtained Duty/VAT Exemption on some prefabricated steel structure and accessories as well as pickup vehicle for road patrol and general supervisory operations in 2019 and 2020 respectively.
- iii. During the period under review, we managed to procure 12 units of brand new heavy duty trucks and 12 units of heavy duty trailers in addition to the fleet we had.
- iv. The project has created direct and indirect employment to 39 Tanzanians.
- v. The project promoters have already obtained Hire Purchase facility from AVIC Shantui Tanzania Limited to facilitate implementation of this project.
- vi. The project is still under implementation but partially operating. Some of prefabricated steel structure and accessories for implementation of the project which the company have procured are in the process of shipment.
- vii. The total project cost to-date combining start up costs, capital expenditure, and working capital and operating expenses is estimated at Tshs. 3,810,073,180/=

3.0 Updates on the Following Information

3.1 The shareholders and also directors of the company are:

- i. Leonard Rubuye
- ii. Mary B. Masong

All directors are holding 100% shares into the authorized and issued capital of the company in proportions of 75% and 25%, respectively. All Shareholders and also directors are Tanzanian nationals and remain unchanged since inception of the Company.

3.2 Company Communication Information.

The current Company's communications remain to be as follows;

- i. Head Office physical address is located at Plot no. 250 Block G, Nyaishozi Street, Tegeta, and P.O Box 4520 within Kinondoni district-Dar es Salaam.
- ii. Email Address: ifo@dominickgroup.co.tz
- iii. Mobile: +255 754 274 601
- iv. Telephone: +255 222 926 132

3.3 Contact Person

- i. The Company's contact person is;
Name: Leonard Rubuye
Position: Managing Director
Email: leonard@dominickgroup.co.tz
Mobile: +255 754 274 601

3.4 Company Incorporation information.

Dominick Logistics (Tanzania) Limited was established on 29th March 2017 and has its Offices at Plot no 250, Nyaishozi Street, Tegeta, Along New Bagamoyo Road, P.o Box 4520 Dar es salaam. Dominick Logistics (Tanzania) Limited holds a business licence no. B03438680 and Tax Payer Identification No 133-308-024. Dominick Logistics (Tanzania) Limited is owned and managed by dynamic, self-motivated, knowledgeable and skilled business person.

4.5 Project Objective and project core activities.

The proposed project is about to establish and operate fleet of trucks with a view of transporting timber, food and cash crops from farmers to consumers in urban areas and export outlets as well as industrial minerals such as coal, lime stones and pozzolana. To transport transit cargo for neighbouring landlocked countries East and Central Africa namely: Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc. Serving rural areas in general and Dar es Salaam, Southern Highlands Zone regions and Lake Zone regions in particular by efficient distribution of agricultural inputs such as farm implements, fertilizers, insecticides, consumer goods, beer and soft drinks to rural and urban areas as well as industrial minerals from mines to factories mostly in Dar es Salaam, Kimbiji and Kisemvule. Moving and distributing building materials in both urban and rural areas, mainly the SADC Region. Collaboration with TANROADS and major building and construction contractors in these areas will be sought, also to increase the competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

3.6 Project Capacity

Dominick Logistics (Tanzania) Limited currently operate fleet of 17 heavy duty trucks and 17 heavy duty trailers. It is envisaged that, upon completion of project implementation the company's fleet capacity will rose and operate a fleet of 40 units of heavy duty trucks, 40 units of heavy duty trailers, 10 units of low bed trailers, 20 units of heavy duty tippers, and 20 units of fuel tankers with carrying capacity of 30 to 40 tons each.

3.7 Direct Employment

Dominick Logistics (Tanzania) Limited has already hired a total of 22 employee at the moment as direct employee of whom 18 are men and 4 are women. It is expected that, when project implementation is complete, the project will be able to employ approximately 110 local employee of whom 85 employee will be men and 25 women.

3.8 Indirect Employment

The project employs approximately 17 indirect employees as turn boys during this period of project implementation. It is anticipated that, when implementation of the project is complete and start production, the project will employ approximately 90 indirect employees in the area of turn boys as casual works of the project.

4 Project Financial Expenditure to-date

The total project financial expenditure to-date is estimated at Tshs. 5,255,642,885 summarized as follows:

S/N		TOTAL IN TSHS
1	Land and Buildings	688,061,580
2	Plant and Machinery	NIL
3	Vehicles/Aircraft	2,636,800,000
4	Furniture & Fittings	80,000,000
5	Office Equipment	10,000,000
6	Insurance Cover	80,211,600
7	Pre-Operational Expenses	315,000,000
6	Working sub-total	3,810,073,180
	Grand Total	3,810,073,180

Financing Structure

To-date we have already spent about Tshs 3,810,073,180/=-, of which Tshs 1,143,021,954 (30%) has been funded by directors' own funds and Tshs 2,667,051,226 (70%) has been funded by borrowings shown as follows:

S/No	Source of Funds	Percentage	T.Shs
01	Owners' Equity Contribution	30%	1,143,021,954
02	Long Term Loan	70%	2,667,051,226
	Total Financing	100%	3,810,073,180

5 Project Financing

The proposed project is valued at Tshs 18,551,520,000 (when fully implemented), of which Tshs 6,493,032,000 (35%) will be funded by directors' own funds and Tshs 12,058,488,000 (65%) will be funded by borrowings shown as follows:

S/No	Source of Funds	Percentage	T.Shs
01	Owners' Equity Contribution	35%	6,493,032,000
02	Long Term Loan	65%	12,058,488,000
	Total Financing	100%	18,551,520,000

6 Exemptions on Capital/Deemed Capital Goods to-date

We are grateful for TIC facilitation in obtaining exemptions on a pickup vehicle and prefabricated steel structure and accessories other equipment which has enabled us reduce some project costs substantially, particularly on the duty exemption and VAT Deferment.

7.0 Problems and Solution.

We are happy to report that our application for TIC Certificate of Incentives was granted promptly. Our application for tax exemptions by TRA was also granted without delay however the exemption could not be utilized during purchase of 12 heavy duty trucks because of TRA threshold requirement by then. There was no serious problem that has hampered development of our project locally. However around February/March 2020 the project started to face some serious problems due to the outbreak of COVID-19.

7.1 The outbreak of COVID-2019

The outbreak of Covid-19 worldwide especially China where Dominick Logistics (Tanzania) Limited had procured prefabricated steel structure and accessories as well as engineers for assembling prefabricated steel structure has affected timely implementation of the project as earlier anticipated. Prefabricated steel structure and accessories could not be shipped as earlier scheduled. Also Chinese Engineers could not fly to Tanzania because of COVID-19 despite the fact that the company had already paid for such services. Attached herewith are some of the communication between Dominick Logistics (Tanzania) Limited and the Supplier of prefabricated steel structure and other accessories who was supposed to send engineers for assembling and construct storage facilities and install all cargo handling facilities. The company decided to engage local contractors for such purpose.

7.2 TRA exemption threshold requirement

Dominick Logistics (Tanzania) Limited applied for TRA exemption during purchase of 10 units of heavy duty trucks from AVIC Shantui Tanzania Limited around June 2018. Although the exemption was granted by TRA, Dominick Logistics (Tanzania) Limited could not utilize the exemption granted because of the TRA threshold

requirement as the amount of VAT Deferment requested was below the minimum threshold set by TRA by then.

Because of unexpected circumstances implementation of the project has taken too long than expected leading to prolonged implementation period than earlier anticipated thereby exceeding implementation period provided by TIC Certificate of Incentive No. 001047 which was October 2020 and operative date of the project was November, 2020.

8.0 Future Plans

The directors of Dominick Logistics (Tanzania) Limited have recently resolved to apply for Extension of the TIC Certificate of Incentives No. 001047 dated 30th November 2017 to finalization implementation of the ongoing planned project of operating a fleet of trucks namely heavy duty trucks, heavy duty trailers, low bed trailers, heavy duty tippers and fuel tankers as well as establishing a workshop with modern tools and equipment to service the fleet and to construct storage facilities and procure and install all the necessary cargo handling facilities.

9.0 Recommendations

While we thank TIC for your kind assistance in enabling us start implementation of our project, we further request your esteemed organization to approve our application for Extension of TIC Certificate of Incentives No. 001047 dated 30th November 2017 to enable finalization of implementation of the ongoing planned project of operating a fleet of trucks namely heavy duty trucks, heavy duty trailers, low bed trailers, heavy duty tippers and fuel tankers as well as establishing a workshop with modern tools and equipment to service the fleet and to construct storage facilities and procure and install all the necessary cargo handling facilities.

Furthermore, some of the prefabricated steel structure and accessories for implementation of the project which the company have procured are still in the process of shipment.

10. Project Photo













